



NEWS RELEASE

CALIFORNIA SECRETARY OF STATE

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Proposed Initiative Enters Circulation

Minimum Wage Increase. Initiative Statute.

SACRAMENTO, CA --- The Secretary of State's Office announced today that the proponent of a new initiative may begin collecting petition signatures for his measure.

The Attorney General's official title and summary is as follows:

MINIMUM WAGE INCREASE. INITIATIVE STATUTE.

Increases California's minimum wage to \$7.40 per hour, effective January 1, 2006, and then to \$7.90 per hour, effective January 1, 2007. Establishes annual automatic adjustment of minimum wage commencing January 1, 2008, calculated by multiplying the minimum wage in effect on December 31 by the percentage of inflation that occurred during the previous year, using the California Consumer Price Index for All Urban Consumers or its successor index. Directs Industrial Welfare Commission to adopt a minimum wage order consistent with this initiative.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Potential net reduction, but probably not significant, in annual state and local government revenues. Annual state and local governmental costs – primarily in health and child care programs – in the range of \$100 million.

The proponent, Lance H. Olson of Olson, Hagel & Fishburn, must collect 373,816 signatures of registered voters, equal to five percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify the measure. The 150-day deadline to circulate petitions for this measure is August 18, 2005. The initiative proponent can be reached at 916-442-2952.

For a copy of the complete text, title & summary, and circulation calendar, please contact the Secretary of State's Press Office at 916-653-6575.

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